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Report Categories:

Agricultural Trade Office Activities

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Report Highlights:

This Monthly Newsletters includes articles on: IFAMA Addressing “The China Factor” in Shanghai; California Agriculture Secretary Visits Shanghai; CIQ Seminar on Imported Food Rules and Regulations in Shanghai; Port of Luzhou Continues Slow Development; Chongqing Trade Update; Yunnan Trade Update; American Hardwood Export Council | AHEC Promotes New Third-Party Certification System in China; BHG Market Gives Consumers in Nanjing and Suzhou a Taste of America; Produce Marketing Association roundtable with Chinese produce industry in Shanghai ; Wisconsin Strengthens Ties with Shanghai Dairy Group; USSEC Provides Risk Training for Chinese Soy Importers; AQSIQ Published Notice on Registration Rule of Exporters and Importers of Food Product to China; The United States and China Establish Interim Procedures for Health Certificates for Meat and Poultry Products; NDRC: to monitor and regulate agricultural product prices during flood season; Anti-dumping investigation on U.S. DDGS imports terminated; Cotton contract defaults on rise due to price fall; China-EU activate negotiations on mutual recognition of organic certification; MOH and seven other ministries/administrations jointly released the “12th Five-year Plan of National Food Safety Standards”; Reserve your booth at FHC China’s expanded USA Wine & Spirits Pavilion in November 2012!; U.S. Pecan Nutrition and Application Seminar. To use the newsletter with working

links please use the link: <http://www.icontact-archive.com/ax046v6l6BKR3bNhR6gW9VX-Ui-zLARL?w=3>



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Newsletter Content:

- [+ Recent Events](#)
- [+ Facts & Figures](#)
- [+ News](#)
- [+ Trade Policy Updates](#)
- [+ Upcoming Activities](#)
- [+ Event Calendar](#)
- [+ China GAIN Reports](#)

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[ATO China Map](#)

[Quick Links:](#)

- [IFAMA Addresses “The China Factor” in Shanghai](#)
 - [California Agriculture Secretary Visits Shanghai](#)
 - [CIQ Seminar on Imported Food Rules and Regulations in Shanghai](#)
 - [Port of Luzhou Continues Slow Development](#)
 - [Chongqing Trade Update](#)
 - [Yunnan Trade Update](#)
 - [American Hardwood Export Council | AHEC Promotes New Third-Party Certification System in China](#)
 - [BHG Market Gives Consumers in Nanjing and Suzhou a Taste of America](#)
 - [Produce Marketing Association roundtable with Chinese produce industry in Shanghai](#)
 - [Wisconsin Strengthens Ties with Shanghai Dairy Group](#)
 - [USSEC Provides Risk Training for](#)
-



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+ Facts & Figures

**U.S. Exports to
China & HK
(CY 2007-2012 & Year-
To-Date Comparisons-
USD Million)**

Chinese Soy Importers

- AQSIQ Published Notice on Registration Rule of Exporters and Importers of Food Product to China
- The United States and China Establish Interim Procedures for Health Certificates for Meat and Poultry Products
- NDRC: to monitor and regulate agricultural product prices during flood season
- Anti-dumping investigation on U.S. DDGS imports terminated
- Cotton contract defaults on rise due to price fall
- China-EU activate negotiations on mutual recognition of organic certification
- MOH and seven other ministries/administrations jointly released the “12th Five-year Plan of National Food Safety Standards”
- Reserve your booth at FHC China’s expanded USA Wine & Spirits Pavilion in November 2012!
- U.S. Pecan Nutrition and Application Seminar

Wheat

2007	7.98
2008	2.69
2009	88.06
2010	42.16
2011	162.22

Jan.-April Comparisons

2011	1.57
2012	41.60
%Chg	2544.6

Cotton

2007	1,524.9
2008	1,669.7
2009	909.8
2010	2,250.0
2011	2,649.0*

Jan.-April Comparisons

2011	1,544.0
2012	1,975.3
%Chg	27.9

Coarse Grains

2007	16.25
2008	7.98
2009	53.9
2010	285.32*
2011	850.19

Jan.-April Comparisons

2011	2.5
2012	236.2
%Chg	9382.4

INTERMEDIATE

Vegetable Oils

2007	18.26
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IFAMA Addresses “The China Factor” in Shanghai

From June 10-14, in recognition of China as a driving force in global agriculture, the International Food and Agribusiness



Management Association (IFAMA) held its 22nd Annual World Forum and Symposium in Shanghai. USDA Agriculture Minister Councilor Scott Sindelar, ATO Shanghai Director Keith Schneller and ATO Shanghai Deputy Director Alan Hallman participated in the event, joining over 200 top global agriculture industry professionals, including representatives of U.S. firms Dupont, Pioneer, Alltech, Novus, etc.

This year's IFAMA Annual Symposium was entitled “The Road to 2050: The China Factor,” and explored China's current and future impact on all aspects of the world's agricultural value chain. Much of this impact will stem from China's intensifying resource constraints and demographic shifts. For example, China comprises 22% of the world's population, but has only 7% of the world's farmland. Meanwhile, the country contends with limited water resources as well as an unprecedented rate of urbanization necessitating a more efficient and productive agricultural system. For more information of this forum and symposium, please click [here](#).

2010	56.00
2011	72.71*
<i>Jan.-April Comparisons</i>	
2011	22.58
2012	23.81
%Chg	5.45

Live Animals

2007	20.23
2008	43.12
2009	39.08
2010	34.27
2011	45.41*
<i>Jan.-April Comparisons</i>	
2011	10.27
2012	17.97
%Chg	74.97

Planting Seeds

2007	35.54
2008	42.13
2009	52.48
2010	97.09
2011	101.36*
<i>Jan.-April Comparisons</i>	
2011	44.40
2012	48.66
%Chg	9.60

Sugar, Sweeteners & Bases	Bev
2007	14.65
2008	20.98
2009	6.43

+ Recent Events:

California Agriculture Secretary Visits Shanghai

On June 11th, ATO Shanghai greeted Karen Ross, Secretary of Food and Agriculture for the State of California, and her delegation of representatives from 27 California food companies.



California products such as fruit and nuts have a strong reputation of food safety and quality in China. To showcase this reputation, ATO Shanghai Director Keith Schneller and his staff led Secretary Ross on a unique two-day tour of Shanghai including stops at the Longwu Fruit Wholesale Market, which featured California citrus, cherries, table grapes and plums a visit to Fruitday.com, a Shanghai e-commerce firm that sells California citrus and grapes, and a

<i>Jan.-April Comparisons</i>	
2011	4.77
2012	5.53
%Chg	15.88

CONSUMER ORIENTED

Dairy Products

2007	162.5
2008	194.7
2009	146.0
2010	250.4
2011	382.6*

<i>Jan.-April Comparisons</i>	
2011	90.0
2012	146.9
%Chg	63.1

Snack Foods

2007	55.9
2008	51.0
2009	51.9
2010	71.6
2011	94.6*

<i>Jan.-April Comparisons</i>	
2011	20.9
2012	25.9
%Chg	24.2

Fruit & Vegetable Juices

2007	23.6
2008	22.8
2009	29.6
2010	31.1
2011	35.1*

stop at the headquarters of Yihaodian.com, China's leading online retailer and partner with Walmart, which is adding more and more imported food products to its online sales list. In addition, ATO Shanghai arranged for Secretary Ross and her team to visit the studio of Shanghai's premier television shopping channel OCJ TV to observe a live sale of Sunkist products. The thirty minute event was extremely successful, generating sales of over 2,000 boxes (or USD 62,000 worth) of Sunkist produce, underscoring the popularity and further potential of California agricultural products in China.



The trip also served as a valuable opportunity to connect the delegation members with potential buyers of their products, as well as briefings from California producer associations' Shanghai representatives on the challenges and opportunities facing California agricultural products in China. At the same time,

2012	13.5
%Chg	44.2

Processed Fruits & Vegetables

2007	167.5
2008	213.6
2009	229.4
2010	238.8
2011	294.8*

Jan.-April Comparisons

2011	91.1
2012	101.9
%Chg	11.8

Tree Nuts

2007	232.4
2008	400.3
2009	734.4
2010	815.2
2011	1042.7*

Jan.-April Comparisons

2011	194.6
2012	369.1
%Chg	89.6

FISH PRODUCTS

Salmon Whole or Eviscerated

2007	158.7
2008	141.0
2009	154.5
2010	210.3
2011	286.2*

Jan.-April Comparisons

2011	9.0
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members of the delegation held over 350 meetings with potential local partners, and as of June 14th, a couple of companies had even confirmed sales orders.

For Secretary Ross' summary of her visit to Shanghai, please see

<http://imperialvalleynews.com/index.php/news/california-news/763-california-comes-to-shanghai> and <http://www.imperialvalleynews.com/index.php/news/california-news/785-california-food-in-china-a-reputation-for-safety-and-quality>.

CIQ Seminar on Imported Food Rules and Regulations in Shanghai



On June 20, the ATO organized a seminar with the Shanghai office of China Inspection and Quarantine (CIQ) regarding imported food rules and port inspection procedures. Attending the event were representatives

Crab & Meat

2007	19.3
2008	46.4
2009	45.3
2010	45.1
2011	71.4*

Jan.-April Comparisons

2011	50.3
2012	58.6
%Chg	16.5

FAS/BICO - U.S Bureau of
the Census Trade Data
* Denote Highest Export
Levels since at least CY 1970

+Recent News:

USSEC Generates USD100 Million in U.S. Ag Commodity Commitments from Asia

USSEC and the U.S. Grains
Council recently organized
the 6th Asia Grain
Transportation Conference
in Singapore, which
generated trade
commitments of more

from 32 Shanghai-area food
importers/distributors responsible for
USD500+ million worth of annual U.S. food
imports to East China. Also present were
representatives of Missouri and Washington
state offices in Shanghai, U.S .Rice
Federation, Raisin Administrative
Committee, USDEC, ASMI, California Prune
Board, SRTGs, California Milk Advisory
Board, American Pistachio Growers, USPB,
PMA, BA and two cold-chain logistic service
providers.

Following welcoming remarks from ATO
Director Keith Schneller, CIQ Shanghai
Deputy Director of Food Safety Supervision
Division, Mr. Guo Xiaodong, presented on
CIQ's rules and regulations for importing
food products into Shanghai. Mr. Guo was
joined by Mr. Zhou Qingming and Mr. Wang
Xin, both Section Chiefs from the Division
for Supervision on Certification, as well as
Ms. Sun Cao from the Division for
Supervision on Animal and Plants.



than USD100 million in U.S. agricultural products. Conference attendees heard an overview of the U.S. crushing industry, the evolution of the grain business, and transportation challenges affecting bulk and container shipping. Speakers focused on the impact the Panama Canal expansion will have on trade, cargo insurance and developments in the U.S. export and transportation systems. Click [here](#) for full report.

**June 2012 WASDE Summary
Commodity Reports**
<http://www.fas.usda.gov/currwmt.asp>
Cotton: China's Reserve Policy Drives Internal and World Prices

China unveils latest five year food safety plan
China has published its latest five-year food safety plan in an effort to “clean up” old, often-overlapping national and industry standards.
(Source: Foodnavigator.com)

For more information of this seminar and on standards for imported food, please click [here](#).

Port of Luzhou Continues Slow Development

On June 20, ATO Chengdu visited the port of Luzhou, in Sichuan Province. Port officials report that annual capacity sits at 500,000 twenty-foot equivalent units (TEUs) but officials claim by the end of this year capacity will double to 1 million. The port is presently operating at 20 percent capacity, with an average of 100,000 TEUs per year, most originating in Wuhan or Shanghai. Currently the port consists of three loading/unloading berths and an additional three are set to be installed, pending increased volume of trade. The port also has a bonded storage area, currently 5,000 square meters and port officials expect to increase the area to 300,000 square meters in the near future. Expansion efforts are almost entirely local government financed. Luzhou is attempting to rival the port of Chongqing in terms of trade volume, logistics, customs clearance, and distribution in southwest China. This ability will be tested in September when a local wine trader imports four containers of U.S. wine, marking the first direct import of U.S. wine that clears customs in southwest China. Traditionally, southwest wine traders bring product in and clear customs in Shanghai, Beijing, or Guangzhou.

‘Surprising’ wine label study shows brands should speak to Chinese

A new study assessing Chinese attitudes to wine labeling has debunked the traditional view that consumers are only really attracted to wines promoting traditional and French labeling cues.
(Source: Foodnavigator.com)

FoodNavigator’s IFT round-up: New products, innovation, and the hottest new trends

The FoodNavigator team scoured the show for all the latest news and views at IFT 2012 in Las Vegas. Here are our top picks.
(Source: Foodnavigator.com)

Australian firm to cash in on China’s ‘booming’ infant formula market

Australia’s GMP Pharmaceuticals hopes to tap into the infant formula potential in China with its pharmaceutical-grade production facility in New Zealand.
(Source: Foodnavigator.com)

Chongqing Trade Update

According to the Chongqing Customs Bureau, from January to May 2012, the total value of Chongqing’s trade (both exports and imports) reached USD19.67 billion, an increase of 170 percent year-on-year. Of the total, exports were USD13.9 billion while imports accounted for USD5.7 billion, representing increases of 230 and 79 percent, respectively. The growth of Chongqing’s foreign trade ranked first among all provinces, municipalities, and autonomous regions in China.

(Source: <http://cq.people.com.cn/news/2012613/2012613848107077466.htm>)

Yunnan Trade Update

According to the Yunnan Customs Bureau, Yunnan’s total foreign trade with ASEAN countries from January to April 2012 was USD1.97 billion, an increase of 4 percent year-on-year. Of the total, exports totaled USD940 million, down 15 percent, while imports totaled USD1 billion, up by 31 percent. Exports decreased mainly in electric machineries, textiles, electric power, and fertilizer, while imports increased chiefly in agricultural products.

(Source: http://asean.yunnan.cn/html/2012-06/13/content_2248679.htm)

Wine Buyer Mission to US organized by ATO Shenyang

From June 3rd to 11th, ATO Shenyang led a wine delegation of 7 people to some of the major US wine producing areas in Washington, Oregon and California.



Wine Delegation in front of Robert Mondavi



Mr. Gayaldo introduces Lodi's pomegranate wine to Rex Zhang, Marketing Specialist from US ATO in Shenyang, China.

The link of the video:
<http://vimeo.com/43746967>

And the link of the article on San Francisco Chronicle:
<http://www.sfgate.com/cgi->

American Hardwood Export Council | AHEC Promotes New Third-Party Certification System in China

On June 19, ATO Shanghai Deputy Director Alan

Hallman delivered opening remarks at an American Hardwood Export Council (AHEC) seminar in Shanghai. AHEC organized the event to introduce a new third-party certification system for U.S. exports of kiln-dried lumber. Over 40 lumber importers and distributors in China attended the event. AHEC is touting the new system as a way to mitigate export delays arising from limited APHIS certification capacity in the U.S. However, AHEC is still in discussions with CIQ regarding recognition of the certification system at Chinese ports.



BHG Market Gives Nanjing and Suzhou Consumers a Taste of America

On June 29th, BHG Market Place kicked off its American Food Festival in its Nanjing and Suzhou stores. ATO Deputy Director Alan Hallman was on hand in



bin/article.cgi?file=/c/a/2012/06/15/BUR51P264H.D
[TL](#)



At White Oak Winery in Sonoma

Meat Market visit



On June 27th, Mr. Ryan Scott, Jane, Yan Rong from OAA and Rex Zhang from ATO Shenyang visited Dachan Food (Asia)'s factory. Dachan, headquartered in Taiwan, is one of the leading poultry producers in China. It owns nine slaughter houses, five of which are in Liaoning Province. Its sales revenue reached up to 12 billion RMB with a production of 150 million birds of chicken in 2011. Mr. Li, Senior Vice President of Dachan Food (Asia) made

Nanjing to support the event. For the following two weeks, BHG's American Food Festival showcased a variety of fine American fruit, snacks, condiments, and an impressive array of U.S. wines. BHG's two Nanjing and three Suzhou stores collectively offer nearly 800 SKUs of U.S. food products, among which 300 SKUs are new this year. While this is the third event of its kind in Nanjing, this year marks the inaugural American Food Festival for BGH's Suzhou stores, thus serving as a benchmark promotional event for U.S. food products in that city.

The Produce Marketing Association (PMA) conducted a roundtable with Chinese produce industry

The Produce Marketing Association (PMA) conducted a roundtable with Chinese produce industry at Shanghai Le Royal Meridien Hotel on June 12, 2012. The roundtable attracted more than 20 attendees from every sector of the fresh fruit and vegetable industry, including importers, exporters, retailers, seeding companies, wholesale markets, distributors and industry associations. Karen Ross, the Secretary of California Department of Food and Agriculture, was present and made welcoming remarks. ATO Shanghai Director Keith Schneller also participated in the roundtable.

some introduction on the current situation of China's poultry market and also inquired about the US import policy of Chinese chicken.

14th Annual FIA-China Trade Show in Shanghai



From June 26 to 28, the 14th annual Food Ingredients Asia (FIA)-China trade show took place at the Shanghai New International Expo Center in Shanghai's Pudong District.



The event featured over 250 booths of food ingredients and additives manufactured in China. On the first day of FIA-China, ATO Shanghai Deputy Director Alan Hallman spoke at a

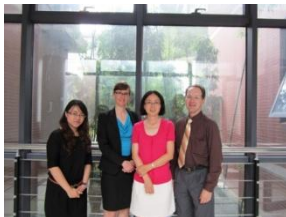


PMA Senior Director Richard Owen gave a presentation on trends in the Global Fresh Produce Industry plus an overview of PMA. Following was a roundtable discussion moderated by Richard and Mabel Zhuang (PMA consultant in China) on China's produce industry and PMA's potential role. Attendees contributed much input and shared their experience on topics such as key drivers to increase the consumption of produce, the major constraints facing the industry and workforce/talent development.

Participants considered the roundtable a great opportunity for networking and communication for all players along the produce supply chain and thought PMA has a lot to contribute to the produce industry in China. ATO Shanghai plans on accompanying a trade delegation to the annual PMA show which will be held from October 26-28 in Anaheim, CA. Please contact Freddie.xu@fas.usda.gov for more

seminar on importing food and food ingredients from the United States. For more information on FIA-China, please see its official website at www.fia-china.com.

Visiting USDA Scientist helps Chinese Students Conduct Food Safety Research



Dr. Yanhong Liu has spent the last few weeks at Jiaotong University collaborating with students and faculty studying food safety. As a U.S. Department of Agriculture (USDA) scientist, Dr. Liu is not only contributing to global food safety through her research at Jiaotong University, she is also helping build China's next generation of research scientists by mentoring Jiaotong University students.

For full story please click

information.

Wisconsin Strengthens Ties with Shanghai Dairy Group



On June 12th, Wisconsin Agriculture Secretary Ben Brancel and University of Wisconsin-Madison Interim Chancellor David Ward joined Shanghai Dairy Group executives in a letter of intent signing ceremony in Shanghai. The ceremony symbolized the two parties' broader intentions to bolster cooperation for improving dairy production in China. That same day, UW-Madison, well-known for innovation in the dairy industry, opened its first international office in Shanghai, which will help support the UW-Madison's College of Agricultural and Life Sciences' upcoming research and training programs with Shanghai Dairy Group.

USSEC Provides Risk Training for

here.

Rabobank Report: China Wine Market - Mind the Gap

Vinexpo Asia-Pacific 2012 will play stage to the China wine market whose confident that its stellar growth in recent years has caught the attention of wine suppliers the world over. As the market expands, both domestic and foreign wine companies continue to grapple with how to most effectively identify, reach and communicate to a very diverse and unfamiliar consumer base. Rabobank's recent research identifies the difficulty for a number of global brand owners to bridge the gap between the overall growth of the market and the opportunities they face in conventional market channels.

**For more information
please contact:**
Rabobank International Food
& Agribusiness Research and

Chinese Soy Importers



USSEC recently organized the 10th Annual Advanced Risk Management Training workshop in Nanjing, Jiangsu Province, in East China. More than 60 participants representing importers, crushers and integrators attended the two-day training session. The workshop covered tips on managing price fluctuations by using different risk management strategies and tools available through the Chicago Board of Trade.

+ Trade Policy Updates

The US and China Establish Interim Procedures for Health Certificates for Meat and Poultry Products

China's requirement for electronic pre-notification of health certificates for meat and poultry products kicks in on June 30th, 2012. In preparation for this deadline, USDA

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or
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+Event Calendar:

June 3-6

[Harvard Agribusiness Seminar](#) - Fudan University, Shanghai

June 8-15

Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP) Secretary Ben Brancel will [lead an agricultural trade visit to Henan and Shanghai](#)

June 11-14

[California Agricultural Secretary Karen Ross leads Trade Mission to China](#)

June 11-14

[2012 IFAMA World Food and Agribusiness Forum](#)

June 12-15

[Minnesota Governor Mark Dayton Trade Mission to China](#)

June 16-18

[China Dairy Expo in Zhengzhou, Henan](#)

has been actively working to sign companies up in the electronic Trade Document (eTDE) system. In order to comply with AQSIQ's pre-notification requirement and to facilitate customs clearance for products shipped by companies that have yet to sign up in the system, USDA and AQSIQ have agreed upon an interim system whereby any paper certificate issued or dated prior to June 1, 2012 must be verified by FSIS. Paper certificates signed between June 1 and June 30, 2012 must be pre-notified using eTDE or using an interim official pre-notification system administered by FSIS. Certificates not in the eTDE system after June 30, 2012 may be subject to detainment or rejection at port of entry. Additional information about eTDE and the interim FSIS procedure can be obtained from the FSIS Export Library. http://www.fsis.usda.gov/Regulations_Policies/China_Requirements/index.asp

[AQSIQ Published Notice on Registration Rule of Exporters and Importers of Food Product to China](#)

On April 4, 2012, AQSIQ published a Notice requiring the registration with its Inspection and Quarantine Bureau of exporters and importers of food products to China. For this purpose, AQSIQ developed an E-filing website, <http://ire.eciq.cn> (bilingual). The new regulations will come into force on October 1, 2012. This requirement is distinct from the overseas manufacturing facilities registration requirement which is

June 25-28

IFT Food Expo @ [Las Vegas Convention Center](#)

June 26-28

[Fi Asia China 2012](#) (Health Ingredients & Natural Ingredients China 2012)

June 22-July 8

BHG Great American Food Promotion - ATOs Beijing, Shanghai, & Shenyang

July 7-15

East In-store promotion, Chongqing

Aug 10

Opening Ceremony of Gourmet Tour to Western America at North Yorker Shenyang

September

National OLE Great American Food Retail Promotion. All 5 ATOs - Exact dates and store locations yet to be determined.

Sept. 5-7

[Asia Fruit Logistica](#) in Hong Kong

Sept. 10-12

USDA All-China Cooperator Meeting in Xian - Organized

sector specific and only applies to seafood manufacturers at this time. U.S. exporters may want to work with their importers to complete the registration.

(Note: There are two blue boxes on the homepage of the website which is in Chinese version, for U.S. exporters, please click the upper button in the darker blue box on the left to get into the sub-page in bilingual.)

FOOD, AGRICULTURAL AND AGRIBUSINESS POLICY UPDATE

NDRC: closely monitor and regulate agricultural product prices during flood season

As the raining season has begun, supply and prices of agricultural products may be affected by adverse weather. NDRC has urged the local price authorities to tighten the monitoring and regulation of the prices of agricultural products, especially vegetable prices. If needed, the local governments should take actions to intervene the prices, including release of state reserves, provision of subsidies during and to retailers. In terms of production, the government can allocate price fund to farmers if production facilities are damaged by the flooding. Low income rural residents will also be subsidized if necessary. (NDRC web site, 6/18/2012, WBG)
For full report please click [here](#).

Prices of Some Farm Produce Increased and Some Fell and Material for Production Continued to

by Ralph Bean - ATO Beijing

Sept. 11-13

Asian Seafood Expo in Hong Kong

Sept. 20-22

Sweets & Snacks China
INTEX, Shanghai

Sept. 4-6

ACLE All China Leather Show
2012 in Shanghai

Oct. 2-3

Food Export Marketing
Forum
Chicago, Illinois

Oct. 25-27

2nd Intl Eco and LOHAS
Exhibition & Conference in
Shanghai

Oct. 26-28

PMA Fresh Summit
Anaheim, California, USA.

Nov. 15-17

Food & Hospitality China
2012 USDA Endorsed Show
Shanghai

Fall

The prices of major edible farm produce of last week (June 11-17) monitored by MOFCOM decreased by 0.1% compared with the previous week, and some categories slightly rose; and price of material for production dropped for nine consecutive weeks.

The wholesale prices of meat fluctuated slightly. The pork price stopped falling and rose by 0.2% compared with that of the previous week, down by 14.9% year on year; the pork price of Fuzhou, Shanghai and Beijing increased by 5.2%, 3.7% and 2.3% respectively. The price of beef rose by 0.3%, that of lamb down by 0.2%; and that of chicken remained unchanged. The price of grain and edible oil increased by a small margin, of which that of peanut oil, rapeseed oil and wheat flour were up by 0.3%, 0.3% and 0.2% respectively, and that of soybean oil and rice remained unchanged. The wholesale prices of most of 8 aquatic products increased compared with that of the previous week. As the production cycle of vegetables is shorter, supply of vegetables is on the increase, which made the prices kept falling for six consecutive weeks. The wholesale prices of 18 vegetables dropped 3.3% with an accumulative decline of 23% compared with that at the beginning of May, of which eggplants, celery, and Chinese watermelons dropped 13.3%, 8.4% and 8.2% respectively compared with that of the previous week; garlic rose 7.6%, 3.6 percentage points lower compared with that of the previous

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If you have any questions, comments, or would like to contribute articles for future issues, please contact Ms. Joy Wang zhe.wang@fas.usda.gov at ATO Shanghai.

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week. The retail price of eggs kept rising, up by 1.3% compared with that of the previous week, with an accumulative increase of 7.8% in three weeks; the wholesale price basically declined by 0.8%. (MOFCOM website, 06/19/2012, ZL)

COMMODITY PRODUCTION, CONSUMPTION AND TRADE GRAIN AND FEED

Anti-dumping investigation on U.S. DDGS imports terminated

According to announcement No. 31 of June 21, 2012 by Ministry of Commerce, MOFCOM puts an end to the Anti-dumping investigation on US DDGS imports. The announcement said: "On May 10, 2012, four domestic DDDG producers requested with MOFCOM to withdraw their antidumping investigation application and terminate the antidumping investigation on DDGS. Based on the 27th clause of PRC's Anti-dumping Regulation, MOFCO decided to terminate the antidumping investigation on the US DDGS imports from the date of this announcement. " The announcement was posted on MOFCM website on June 21, 2012. (MOFCOM website, 6/18/2012, JJY)

COTTON

Cotton contract defaults on rise due to price fall

Some Chinese importers opt to default to reduce losses in response to a sharp fall of world cotton price in recent months. Industry data show the June 15 US SM cotton price declined by 20.5 percent over that on

January 1, 2012. Cncotton.com estimated that cotton import price (with sliding duty/China major entry port) was RMB14,625/MT on June 12, down 12 percent over the RMB16,597 on March 16, and this is significantly lower by RMB3,909/MT than domestic price. Industry insiders analyzed that if cotton price falls by 20% below the contracted price, the importers tend to default (that means the importer prefers having the pre-payment be lost instead of receiving the contracted cotton). Total defaulted volume is hard to estimate (due to commercial sensitiveness for traders), but likely to range from 300,000 to 400,000 MT. China Cotton Association (CCA) noted the increasing default cases and pays attention to the developments. Some industry analysts, however, believe that the default cases shall not be over-estimated and the world cotton price seems to hit the lowest point and shall be stable or recovering, thus defaulted volume shall be limited. The lack of cotton import TRQ also exacerbated the defaults. Total cotton arrival reached 4.5 MMT in the first ten months of MY11/12, compared to total distributed TRQ of 3.2 MMT since the beginning of 2012. (FAS/Beijing summarized based on various sources).

ORGANIC PRODUCTS

China-EU activate negotiation on mutual recognition of organic certification

The Minister of AQSIQ and EC commissioner have recently agreed to start the process of mutual recognition of organic certification.

Based on the agreement, the two parties will activate negotiations at the technical level aimed at enhancing mutual understanding, trust and cooperation on organic agriculture. They will also examine the legal framework and organic standards in respective countries (regions) and establish a mechanism for regular communication to identify specific steps regarding mutual recognition of organic certification systems. (China Food Newspaper, 6/15/2012, WBG)

On May 9, the APHIS Beijing office was informed by officials from the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) that China will begin accepting Phytosanitary Certificates (PC) from the United States with electronic signatures generated through the Phytosanitary Certificate Issuance and Tracking (PCIT) system. Additionally, AQSIQ has sent a notification to all port of entry offices informing them of this decision to accept U.S. PC endorsed with an electronic signature. Implementation of this decision is effective immediately and is expected to facilitate the exportation of U.S. fruits, vegetables and other plant products to China.

FOOD SAFETY

Ministry of Health

1. MOH and seven other ministries/administrations jointly released the “12th Five-year Plan of National Food Safety Standards”

In late January, MOH issued the draft of the 12th FYP, soliciting public comments, and the newly issued 12th FYP is the final version of the draft.

The final 12th FYP, in comparison with the draft, has the following revisions in addition to some wording changes:

- The final 12th FYP pledges to incorporate international standards and experiences in administering the standards;
- It is more specific about the basic standards to be formulated and revised;
- It specified priorities of food product safety standard work, i.e. meat, liquor, food oil, condiment, baby food, dairy, health food;
- It also urges to formulate food product safety standards for products that already have international standards, or products that are imported but do not have relevant standards
- The final calls to widely solicit public comments, and allow the public to have access to standard formulation/revision and supervise standard-related work;
- The final urges the complete understanding of food safety standard system of major WTO members, follow their progress in food safety regulation and standard work, and better work on the WTO/SPS notification and comment work. FAS Beijing is having the final 12th FYP translated, will turn it into a GAIN report.

2. MOH Public Notice [2012] No.9 releases 11 national food safety standards

The MOH Public Notice [2012] No.9, dated

May 17, 2012, released 11 national food safety standard, Full text of the national food safety standards can be found at: <http://www.moh.gov.cn/publicfiles/business/htmlfiles/mohwsjdj/s7891/201206/55071.htm>

3. MOH's "General Office Notice Concerning Printing and Circulation of the 2012 Project Plan for National Food Safety Standards (MOH General Office Supervision Letter [2012] No.512)", dated June 4, announced 82 national food safety standards to be developed/revised in the year 2012.

Pursuant to the *Food Safety Law* and the *Measures for Administration of National Food Safety Standards*, MOH solicited public comments in late March about 83 national food safety standards to be developed or revised in 2012, as well as agencies suggested to undertake the work. Based on comments collected, MOH issued the final list of national food safety standards to be developed/ revised, and designated agencies for development/revision of each standard.

The final list removed several standards from the draft, and added a few standards; in addition, it identified agencies for formulation/revision of each standard, while in the draft list, some of the agencies were "to be advised".

The Notice requests the agencies to fill the Project Proposal and submit the signed proposals to Secretariat of the National Food Safety Standard Evaluation Commission by

June 10, 2012. The Secretariat will review the proposals and submit them to MOH on June 15, 2012.

The designated agencies are required to finish standard formulation/revision before June 30, 2013. Also, they are required to report to the secretariat of budget using. Click [here](#) for an informal translation of the 2012 Project Plan.

State Food and Drug Administration

On June 7, SFDA released the “Guiding Opinions concerning Further Strengthening Supervision over Catering and Food Safety in the Rural Area”.

This is an action that responds to the Central Government’s pledge to improve the food circulation sector in the next five years (the other focuses are dairy, edible oil, liquor, seasonal and festive food, food additive management).

According to the Guiding Opinions, actions to improve rural catering and food safety include:

- Establish and improve a complete supervision network for rural catering and food safety;
- Strengthen supervision and administration over cafeterias in rural schools;
- Reinforce guidance over rural collective feasts (note: such as wedding, funeral feasts);
- Strengthen the supervision and administration over small-sized restaurants and rural tourism inns;
- Vigorously attack practices that violates

catering and food safety laws/regulations in the rural area;

- Make efforts to improve catering and food safety-related emergency response in rural area;
- Conduct publicity for catering and food safety knowledge in rural area;
- Effectively improve catering and food safety supervisory capacity building;
- Reinforce evaluation over government officials' work related to rural catering and food safety supervision.

Full text of the notice can be found at:
<http://www.sda.gov.cn/WS01/CL0851/72698.html>

Ministry of Agriculture

MOA released the 12th Five-year Plan for the National Veterinary Development (2011-2015).

+ Upcoming Events:

Reserve your booth at FHC China's expanded USA Wine & Spirits Pavilion in November 2012!



Event: FHC China 2012- the 16th

International Exhibition for Food, Drink,
Hospitality, Foodservice, Bakery and Retail
Industries

Date and Location: November 14-16, 2012,
Shanghai New International Expo Centre
(SNIEC)

FHC China 2012 will feature an expanded
USA Wine & Spirits Pavilion! For more
information on the Pavilion how and how to
reserve your booth, please [Click Here](#)

RESERVE YOUR BOOTH NOW

Michele Zichy Oak Overseas, Ltd. 112 Cabarrus Ave E Concord, NC 28025, USA Tel: +1 704.837.1980 x303 Fax: +1 704.943.0853 Email: mzichy@oakoverseas.com	USDA/FAS Contacts Ms. Tobitha Jones - Washing Tel: +1 202.690.1182 Email: tobitha.jones@fas.usda.gov Mr. Xu Min - Shanghai, China Tel: +86 21.6279.8623 Email: min.xu@fas.usda.gov
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**Products exhibited in the USA Wine & Spirits Pavilion must promote and display a majority of products (greater than 51 SKU count) that are of U.S. origin. A product is determined to be of U.S. origin content if it is comprised of at least 51% U.S. origin content by volume or by value, exclusive of added water.*

For more information on FHC CHINA 2012,
please visit
<http://www.fhcchina.com/en/index.asp>
China's premier business event for the
global food and hospitality sector is just a
few months away, and if you haven't done so
already, now is the time to reserve your
booth! As over 29,000 buyers from
throughout China, as well as over 1,000
exhibiting companies are expected to attend
FHC China 2012, the event will be a first-
class opportunity to connect with importers
and distributors in China.

U.S. Pecan Nutrition and Application Seminar

National Pecan Growers Council will conduct a U.S. Pecan Nutrition and Application Seminar at 2:00pm on July 25, 2012 at The Westin Bund Center Shanghai. Dr. Ronald Pegg, Associate Professor at the University of Georgia, will give a presentation on the nutritional characteristics and related health benefits of pecans. Also from the University of Georgia, Ronald Eitenmiller will discuss food safety issues related to pecans and questions concerning processing to retain nutritional quality. Finally, Randall Hudson, a large U.S. grower and exporter of pecans to China, will provide an overview of the U.S. pecan industry, production and storage issues, and address the multiple uses of pecans. Please [click here](#) for more information.

China pecan industry leaders including importers, distributors, retailers, wholesale markets, nutritionists, bakery, and food service personnel will be invited.

Seminar

Date: July 25, 2012

Time: 2:00pm

Venue: The Westin Bund Center Shanghai

Contact person: Vivian Huang

Email : vivian@mzmc.com.cn

Phone : 65216751

(Registration before July 15)

Menu Promotion in SZ and HZ

This late August, ATO Shanghai will launch a menu and bakery promotional event in Suzhou and Hangzhou. Several U.S.

ingredients will be featured. These include pork, seafood, potato, cheese, sauces, dried fruits and nuts, and wine and beverage products. The multi-venue event will begin on Aug 23rd with the Crowne Plaza and New City Garden hotels in Suzhou. These events will be followed on Aug 28th with promotions at Landison hotels in Hangzhou and Xinchang in Zhejiang Province. An American guest chef sponsored by USMEF will host chef seminars in both cities.

American food ingredients and beverage suppliers are welcome to participate in the event.

For details, please contact ATO Shanghai senior marketing specialist Mr. Xu Min |
Email: Min.Xu@fas.usda.gov

All-China Cooperator

Meeting: FAS/China invites all USDA Cooperators with programs in China to join us in Xian on September 11 and 12. As we did in Changsha in December 2010, we will organize a one-day program of presentations, panels, or other interactive sessions on September 11 followed by a series of individual meetings on September 12. We are looking at ways to improve the one-on-one meetings and have already received a couple of good ideas from several of the Cooperators. If you have suggestions for either day of the meeting, please let us know! Please direct your ideas to Scott Sindelar and Ralph Bean.

+ GAIN Reports ([Global Agricultural Information Network](#))

- [LOCK-UP REPORT_Beijing_China - Peoples Republic of_7-3-201](#)
- [Administrative Measures for Registration of Overseas Manufacturers_Beijing_China - Peoples Republic of_6-19-2012](#)
- [12th Five Year Plan for National Food Safety Standard-final_Beijing_China - Peoples Republic of_6-28-2012](#)
- [Registration Required for Foreign Food Product Exporters_Beijing_China - Peoples Republic of_6-29-2012](#)
- [Registration of Overseas Food Manufacturing Facilities_Beijing_China - Peoples Republic of_6-27-2012](#)
- [2012 Project Plan for National Food Safety Standards \(for Comment\)_Beijing_China - Peoples Republic of_5-7-2012](#)
- [Food Service - Hotel Restaurant Institutional_Taipei ATO_Taiwan_6-25-2012](#)
- [Hong Kong's Pesticide Residues in Food Regulation Enacted_Hong Kong_Hong Kong_6-25-2012](#)
- [ATO Guangzhou's Food Safety Update Report_Guangzhou_China - Peoples Republic of_6-12-2012](#)
- [ATO Guangzhou spearheads 1st U.S. China Biotechnology Inspection Q_Guangzhou_China - Peoples Republic of_6-11-2012](#)
- [Shenzhen CIQ Notification on their](#)

refusal to accept “in lieu of”
ce_Guangzhou_China - Peoples
Republic of_6-1-2012

- AQSIQ’s Directive 64 Bans U.S.
Processed Meat
Products_Guangzhou_China - Peoples
Republic of_6-7-2012
- Organic Certification Unlikely under
Legislative Control_Hong Kong_Hong
Kong_6-7-2012